



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office
Department No.: 012
For Agenda Of: 12/13/2011
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Directors Chandra Wallar, CEO
Robert W. Geis, CPA
Contact Info: Juan Izquierdo, CPA ext 2163
SUBJECT: **Special Districts and Other Independent Agencies Report**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- 1.) Receive and file a Special Districts and Other Independent Agencies Report that includes a listing of the County's dependent special districts, independent special districts, and other independent agencies in the county geographic area. The report also includes the governing body and the governing legislation of each organization.
- 2.) Provide direction to staff for additional information requests.

Summary Text:

The Board of Supervisors requested a comprehensive listing of special districts and other independent agencies within the County to gain a more thorough understanding of the entities and their relationship with the County. Included in our summary is a description of the type of entity, the governing body, whether the body is elected or appointed and the governing legislation for the district. This insight may be beneficial to seek ideas on potential governing and operating efficiencies. This report is not intended to include schools, cities, community colleges, universities, state or federal organizations.

Generally, special districts are formed to provide specific services to local communities and usually to unique geographic areas within a County. The districts derive their powers and purposes from state law applicable to each type of special district. Examples of services include lighting, water delivery, wastewater removal, fire protection, internment in local cemeteries, parks and recreation, and many other services. Many of these districts upon formation were created to extend public services to rural

communities but are now serving urban populations as the County has grown and developed. In many instances larger municipal agencies, like cities, also provide these same services. Special districts have most of the same basic powers as counties and cities. They can sign contracts, employ workers, acquire property, issue bonds, impose taxes and charge service fees.

All the special districts have governing boards. Dependent special districts are governed by the Board of Supervisors, independent special districts are governed by elected or appointed local boards and are independent of the County Board of Supervisors, however in some cases the Board of Supervisors is the appointing authority for some or all the appointed members. The Local Agency Formation Commission also has a significant role in establishing the boundaries and services provided by the special districts.

Generally the special districts in Santa Barbara County are well run. However, over the years some of the smaller districts remain undercapitalized and experience turnover in staffing and seasoned board members. This can create internal control weaknesses in the operations of the entity. We occasionally experience weaknesses in management of the districts, inexperienced administration and inefficient operations. The Board of Supervisors and LAFCO should take into consideration these issues and direct studies of jurisdictional changes or consolidation when appropriate.

Background:

The Santa Barbara County Board of Supervisors directed staff to prepare a comprehensive listing of special districts that included both County dependent and independent districts. In certain instances the Board of Supervisors is also the appointing authority for the District Board of Directors or Trustees and they were interested in a report that included the make-up of the governing bodies. Certain other independent agencies also operate in the County that include members of the Board of Supervisors or require appointments and we have also included those other agencies in our report.

The oversight of special districts is generally guided by the statutes under which they are organized and the responsible governing boards. These statutes require that annual *budgets* be prepared and adopted for each fiscal year. Government Code requires county auditors to assure *annual audits* of district accounts and records. Government Code also requires districts to submit *annual financial reports* to the State Controller. Under the Penal Code grand juries are allowed to investigate district operations.

In addition, statutes require certain districts to keep their money in the County Treasury. The 14 dependent districts and 15 of the 36 independent districts maintain their cash and investments in the County Treasury and utilize the investment policy of the County Treasurer and Board of Supervisors. If statutes permit a District to maintain their cash and investments outside the County Treasury then they generally are required to appoint a Treasurer and adopt an investment policy guided by the Government Code. If a district keeps their money in the County Treasury the County Auditor-Controller is allowed to audit their accounts and records and submit reports to the Board of Supervisors. The districts with funds in the treasury also generally use the services of the Auditor-Controller for their record keeping and reporting system. Those outside the County Treasury maintain their own financial and reporting systems.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

N/A

Staffing Impacts: N/A

Special Instructions:

N/A

Attachments:

Special Districts and Other Independent Agencies Report

Authored by:

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